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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

August 17, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: **Ex Parte Notice:** Local Number Portability,
CC Docket No. 95-116,

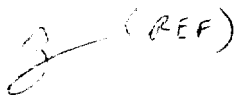
Dear Ms. Salas:

On August 16, 2000, Bill Cook and I, from NECA, John Hunter of the United States Telecom Association, Chitra Sharathchandra of the National Telephone Cooperative Association, Stuart Polikoff of the Organization for the Protection and Advancement of Small Telecommunication Companies, and Mark Jenn of the TDS Telecom met to discuss the attached information with Kyle Dixon, Legal Advisor to Commissioner Powell, and with Anna Gomez, Senior Legal Advisor to Chairman Keunard.

In addition, Messrs. Cook, Hunter, Polikoff, and Ms. Sharathchandra and I met on this same topic with Rebecca Beynon, Legal Advisor, Common Carrier Matters, to Commissioner Furthchgott-Roth, and with Jordan Goldstein, Legal Advisor to Commissioner Ness. Copies of the attachment were handed out.

Acknowledgment and date of receipt of this filing are requested. A duplicate letter is provided for this purpose. Please address all inquiries to me.

Sincerely,

 (REF)

Gina Harrison

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List ABCDE

Attachment

Cc: R. Beynon
K. Dixon
J. Goldstein
A. Gomez

LNP Costs

The Issue:

Non-LNP Capable Telephone Companies still incur LNP costs but there is no method of recovery

- All LECs Incur fees for LNP Database Administration (Neustar)
- LECs also incur costs when they complete calls to other telephone companies with ported numbers.
 - For example, they are charged for querying databases required to complete the calls

Background

- May 12, 1998, FCC releases its 3rd Report and Order on LNP
- July 29, 1998 NECA files Expedited Petition for Reconsideration
 - NECA notes the lack of a recovery mechanism for LNP costs
- March 19, 1999 Petition for Expedited Interim Waiver
- FCC Meeting dates:
 - 1/13/00 NECA meeting with FCC staff to discuss LNP data request
 - 1/18/00 NECA Letter to TS Pool Members requesting LNP Cost data
 - 3/3/00 Overview of preliminary results from LNP data request provided to FCC by NECA
 - 3/22/00 NECA Ex Parte presentation containing results of LNP data request, the data request forms, and sample calculation of Local Switching rate including LNP costs.
 - 7/17/00 Joint Ex Parte presentation with USTA, NTCA, OPASTCO, NRTA, and NECA

Issues from 3/19/1999 Petition

- All Carriers incur costs regardless of whether they provide LNP. For example,
 - All must contribute to the regional Number Portability Administration Centers (NPACs)
 - ROR ILECs are assessed query charges when traffic is terminated in areas with LNP-capable switches when another carrier is performing the database look-up function for them.
- Costs related to LNP must be assigned to Interstate
- For most pool LECs, no cost recovery mechanism exists to recover these LNP costs
 - End User charges only apply after LECs wire centers become LNP capable

Recommendation for Recovery

- Recovery mechanism for LECs who are not LNP capable should be competitively neutral.
 - through TS Access rates.
 - the same as it is after five years for those that are LNP capable.

NECA LNP Data Request

- Prepared at FCC request and sent to all TS pool members on 1/18/00
- Identified the following costs from the following categories:
 - Support of LNP Regional Databases (\$386 K)
 - Software upgrades to initiate LNP queries (\$1.9 M)
 - Costs of querying LNP databases (\$1.1 M)

NECA LNP Data Request Results & Recommendations

- 75% of Pooling LECs responded to request
 - Total Annual Costs of \$3.6 M were identified (0.36% of TS Revenue)
 - Equivalent to \$0.0002 per minute of use
- NECA recommends recovery through TS rates
 - 3rd Order: Recovery of LNP costs from end users should be “designed so that end users generally receive the charges only when and where they are reasonably able to begin receiving the direct benefits of local number portability”